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Anderson, ZurMuehlen, and Company
Montana State Lottery

MONTANA STATE LOTTERY

REPORT ON MONTANA CASH DRAWINGS

JUNE 30, 1993

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MONTANA STATE LOTTERY

REPORT ON
MONTANA CASH DRAWINGS

JUNE 30, 1993

ANDERSON ZURMUEHLEN & CO., P.C.
Certified Public Accountants

MONTANA STATE LOTTERY

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STATE OF MONTANA

Office of the Legislative Auditor

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October 1993

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana State Lottery Observations for the year ended June 30, 1993.

The audit was conducted by Anderson, ZurMuehlen and Company, PC, under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

MONTANA STATE LOTTERY
Commission Members and Administrative Officials
June 30, 1993

Commission Members	Residence
Rebecca Erickson, Chairperson	Glasgow
David Kasten	Brockway
Dwaine Iverson	Shelby
Larry O'Toole	Plentywood
Cliff Brophy	Columbus

Administrative Officials

Charmaine Murphy, Director

L. John Onstad, Director of Security

Gerald J. LaChere, Director of Operations

Karalee Ellison, Director of Marketing

MONTANA STATE LOTTERY

INTRODUCTION

We performed agreed-upon procedures on the Montana State Lottery for the year ended June 30, 1993.

The agreed-upon procedures consist of (1) witnessing and reporting on all Montana Cash drawings; (2) examining all lottery drawing equipment prior to and after each related drawing; and (3) testing compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are outlined by Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose is to allow lottery games in which the players purchase from the state, through the administration of the state lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the accountants' opinion, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the Legislature, and our recommendations to the State and the Lottery. We have nothing to report in those areas.

& COMPANY

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Commissioners
Montana State Lottery
Helena, Montana

We have applied the procedures enumerated below to the accompanying statements of Montana Cash Lottery drawings for the year ended June 30, 1993. These procedures, which were agreed to by a legislative auditor's contract, were performed solely to assist you in evaluating the procedures used in Montana Cash Lottery drawings. This report is intended solely for your information and should not be used by those who did not participate in determining the procedures.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

- All drawings are conducted in accordance with applicable rules and regulations.
- All drawings are conducted in a secure, honest and fair manner.

The agreed-upon procedures consist of:

- Witnessing and reporting on all Montana Cash Lottery drawings.
- Examining all lottery drawing equipment prior to and after each related drawing.
- Testing compliance with applicable rules, statutes, and regulations.

These agreed-upon procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the statements of Montana Cash Lottery drawings. Accordingly, we do not express such an opinion.

ANDERSON ZURMUEHLEN & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Based on the application of the agreed-upon procedures referred to above, nothing came to our attention that caused us to believe that the accompanying statements of Montana Cash Lottery drawings are not presented in conformity with above agreed-upon procedures. Had we performed additional procedures or had we made an audit of the statements of Montana Cash Lottery drawings other matters might have come to our attention that would have been reported to you.

Anderson Zurmuehlen & Co., P.C.

Helena, Montana
June 30, 1993

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNINGS NUMBERS
Year Ended June 30, 1993

The procedures we performed are summarized as follows:

1. We read "Montana Cash Drawing Procedures." In performing these and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.
4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.
5. We observed the official "Montana Cash Drawing" and determined that the applicable procedures were followed.
6. We observed the performance of one post-drawing test, recorded the results and determined the applicable procedures were followed.
7. We observed the resealing of the ball set, ball locker and machine cabinet door.

We have furnished the Office of the Legislative Auditor with a summary letter after each drawing that the Montana Cash drawings were performed and observed by us. The letter would include any unusual occurrences or deviations from the established rules and procedures.

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

DATE	WINNING NUMBERS				
July 1, 1992	4	29	37	3	21
July 4, 1992	2	21	35	9	33
July 8, 1992	11	21	36	25	18
July 11, 1992	14	13	24	20	6
July 15, 1992	16	37	3	11	28
July 18, 1992	5	21	3	24	6
July 22, 1992	31	19	3	26	8
July 25, 1992	17	23	34	25	6
July 29, 1992	21	12	27	32	30

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNINGS NUMBERS (CONTINUED)
Year Ended June 30, 1993

DATE	WINNING NUMBERS				
August 1, 1992	20	5	24	3	33
August 5, 1992	29	30	19	1	22
August 8, 1992	34	18	23	15	21
August 12, 1992	37	23	26	28	18
August 15, 1992	24	12	7	3	32
August 19, 1992	29	13	17	23	19
August 22, 1992	11	37	3	2	12
August 26, 1992	34	26	35	30	1
August 29, 1992	35	7	29	4	2
September 2, 1992	22	31	9	16	1
September 5, 1992	3	26	30	24	1
September 9, 1992	26	37	24	32	3
September 12, 1992	13	25	36	16	8
September 16, 1992	37	28	33	26	19
September 19, 1992	37	17	6	10	15
September 23, 1992	11	34	28	21	24
September 26, 1992	20	9	18	24	36
September 30, 1992	23	22	34	13	3
October 3, 1992	25	32	29	28	27
October 7, 1992	31	1	8	21	34
October 10, 1992	31	21	11	22	23
October 14, 1992	4	29	27	21	32
October 17, 1992	10	30	31	34	36
October 21, 1992	29	32	35	1	13
October 24, 1992	10	14	3	37	32
October 28, 1992	6	21	30	10	5
October 31, 1992	25	2	26	15	14
November 4, 1992	15	2	36	3	6
November 7, 1992	31	26	3	24	4
November 11, 1992	2	4	30	25	31
November 14, 1992	14	32	35	29	10
November 18, 1992	14	2	25	12	27
November 21, 1992	6	36	10	27	33
November 25, 1992	1	27	7	6	28
November 28, 1992	7	6	21	9	3

MONTANA STATE LOTTERY

STATEMENT OF MONTANA CASH WINNINGS NUMBERS (CONTINUED)

Year Ended June 30, 1993

DATE	WINNING NUMBERS				
December 2, 1992	13	30	23	18	20
December 5, 1992	13	26	36	4	29
December 9, 1992	31	9	23	28	14
December 12, 1992	14	2	8	19	21
December 16, 1992	8	34	9	28	30
December 19, 1992	33	20	37	6	27
December 23, 1992	28	17	5	13	27
December 26, 1992	33	37	8	22	19
December 30, 1992	14	31	23	36	29
January 2, 1993	22	7	6	15	13
January 6, 1993	34	31	28	1	32
January 9, 1993	34	37	14	6	28
January 13, 1993	11	14	27	35	26
January 16, 1993	6	19	7	25	31
January 20, 1993	16	37	4	6	35
January 23, 1993	32	15	30	21	14
January 27, 1993	24	34	10	19	28
January 30, 1993	10	33	32	24	18
February 3, 1993	34	32	26	23	7
February 6, 1993	34	2	31	10	1
February 10, 1993	15	8	23	27	10
February 13, 1993	31	3	15	14	22
February 17, 1993	25	13	18	2	9
February 20, 1993	17	10	36	23	19
February 24, 1993	32	5	28	10	24
February 27, 1993	13	20	5	37	28
March 3, 1993	37	8	13	16	5
March 6, 1993	1	30	25	27	16
March 10, 1993	16	33	25	8	30
March 13, 1993	36	31	32	33	5
March 17, 1993	36	23	17	3	9
March 20, 1993	20	35	18	1	13
March 24, 1993	28	21	20	6	22
March 27, 1993	3	18	22	8	6
March 31, 1993	7	30	28	21	32

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNINGS NUMBERS (CONTINUED)
Year Ended June 30, 1993

DATE	WINNING NUMBERS				
April 3, 1993	20	24	23	31	1
April 7, 1993	31	35	29	25	6
April 10, 1993	29	5	4	30	37
April 14, 1993	27	31	24	16	3
April 17, 1993	24	12	23	21	5
April 21, 1993	11	34	22	30	16
April 24, 1993	29	37	4	6	12
April 28, 1993	18	15	6	25	23
May 1, 1993	37	10	34	16	15
May 5, 1993	3	27	29	17	6
May 8, 1993	32	25	37	24	18
May 12, 1993	3	29	34	12	14
May 15, 1993	15	22	11	32	1
May 19, 1993	23	19	30	13	14
May 22, 1993	23	17	24	1	16
May 26, 1993	33	22	17	14	37
May 29, 1993	19	8	37	34	18
June 2, 1993	35	36	12	24	15
June 5, 1993	18	1	24	32	4
June 9, 1993	29	8	35	34	32
June 12, 1993	34	12	25	31	28
June 16, 1993	10	32	31	25	26
June 19, 1993	7	3	20	28	37
June 23, 1993	30	4	16	13	19
June 26, 1993	8	1	11	31	35
June 30, 1993	28	8	35	12	33

Also, we observed the special drawings for the Montana Lottery's Scratch Game "Tons of Fun," Clerk/Manager Drawing on May 28, 1993 and Retailer Drawing on June 25, 1993. There were no matters that came to our attention that were not in accordance with the established drawing procedures.